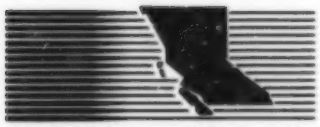
Small Business in British Columbia

1979 - 1989:
A Decade of Change



Regional and Economic Development

Honourable Stanley B. Hagen
Minister

Small Business in British Columbia

1979 - 1989: A Decade of Change

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July, 1990

It is my pleasure to provide you with a copy of the report *Small Business in British Columbia 1979-1989: A Decade of Change.*

In January 1990, the Ministry of Regional and Economic Development released the Report of the Task Force on Small Business Programs and Services, appropriately titled *Strengthening Small Business in the 90s.* One of the recommendations of the task force was that the ministry enhance the quality and availability of business information relevant to the small business person.

This publication, *Small Business In British Columbia 1979-1989: A Decade of Change*, is a direct result of the task force's recommendations. It deals with three specific issues relevant to small business needs in the Province: economic performance of the small business sector, the contribution of small business to job creation, and important business trends.

My ministry, together with the Planning and Statistics Division of the Ministry of Finance and Corporate Relations, has also prepared a set of 105 *B.C. Small Business Financial Profiles*, available on electronic database. The profiles will assist small business people in analyzing industry averages and trends as they relate to their company. For those considering starting a new business, the series provides information to evaluate the potential and viability of that business.

The *B.C. Small Business Financial Profiles* are available on database through the B.C. Business Network, a network of business databases accessible at all Business Information Centres and Government Agent Offices. Hard copies are available for review at community libraries, Business Information Centres at local Chambers of Commerce, and through the Regional Development Liaison Officer at regional ministry offices.

Additional copies of *Small Business in B.C. 1979-1989: A Decade of Change* are available at Business Information Centres, Government Agents offices and regional ministry offices.

I trust that this publication and the financial profiles will be useful tools and I wish you the best of luck in your entrepreneurial and business endeavors.

I would like to thank the Planning and Statistics Division of the Ministry of Finance and Corporate Relations, for its contribution to this publication and the *B.C. Small Business Financial Profiles.*

Stan Hagen

Honourable Stanley B. Hagen
Minister of Regional and Economic Development

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Small Business in British Columbia 1979 - 1989: A Decade of Change

Introduction

Small business plays a vital role in British Columbia's economy. Since the mid-1980s, this sector has become increasingly important in keeping the provincial economy healthy and growing. Small business involves a wide range of industries from logging to the retail trade to the leading-edge field of high technology. The importance of small business is supported by statistics showing that small firms accounted for 75 per cent of the employment created in B.C. between 1979 and 1987.

British Columbians can be proud of the entrepreneurs who are taking the risks and meeting the challenges involved in running their own businesses. Many of them have been innovative in developing new products and services for local and export markets. They have also provided employment and investment opportunities for thousands of British Columbians.

This overview outlines trends in the British Columbia small business sector during the past decade. It describes the characteristics of small businesses in B.C. and examines the growth and change that has taken place recently in this dynamic sector.

The Appendix outlines additional local data available for small businesses in B.C. Local sources can be your first point of contact for:

- Statistical data, including "Small Business Financial Profiles" for 105 types of ventures, population trends, and general economic information according to geographic regions.
- Other information and "how-to" guides on topics such as business planning, market research, and home-based business.
- Referrals to government programs and services which offer business counselling, workshops or seminars on subjects such as business planning, financing and marketing.

Overview of Small Business in British Columbia

Statistical information in this overview was obtained from Statistics Canada and the Planning and Statistics Division of the British Columbia Ministry of Finance and Corporate Relations.

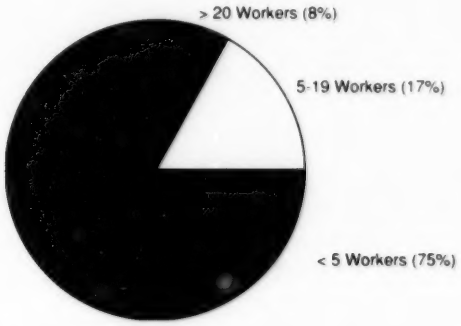
What is a "Small Business"?

For the purposes of this overview, "small business" refers to an enterprise employing less than 20 people. The term "very small business" describes companies with less than five employees. In some cases, small businesses are defined as companies with annual sales ranging between ten thousand and two million dollars. Most information in this booklet does not include businesses in which the owner/operator is the sole employee.

The Changing Role of Small Business in the B.C. Economy

The economy of British Columbia is significantly different today than it was a decade ago. This is a result of fundamental restructuring that took place due to the recession in the early eighties. Although the recession had a negative impact on the overall economy, small businesses proved to be more adaptable than larger businesses, and better able to respond to changing economic conditions and fluctuating markets.

British Columbia Number of Firms by Employment Size, All Industries 1987



Total: 118,010 Businesses

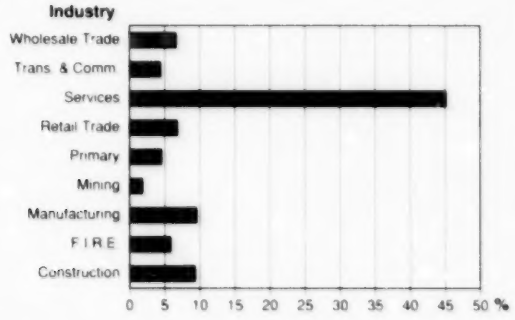
Increased Employment Growth in the Small Business Sector

Post-recession economic change in British Columbia included a significant shift in employment growth from the resource and manufacturing sectors to the service sector. Examples included companies in wholesale and retail trade, professional and personal services, communications and transportation.

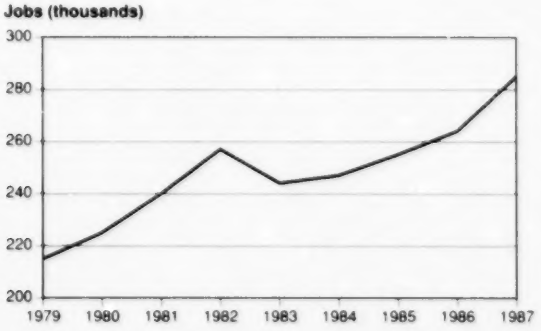
While small businesses account for a significant component of the service industries, they have become increasingly important to the provincial economy as a whole. During the boom-bust-rebuild cycle that took place from 1979 to 1987, the number of small businesses in B.C. increased by 30,800 or 39.7 per cent. During that same period, the number of medium and large companies declined. As the number of small businesses increased, they became the major source of job creation in the province.

By 1987, small businesses accounted for 91.8 per cent of all businesses in British Columbia. They employed 24 per cent of the total workforce and generated 20.8 per cent of the total provincial payroll.

British Columbia Small Business; Overall Jobs Created by Industry Sector 1979-1987



British Columbia Small Business, Employment 1979-1987



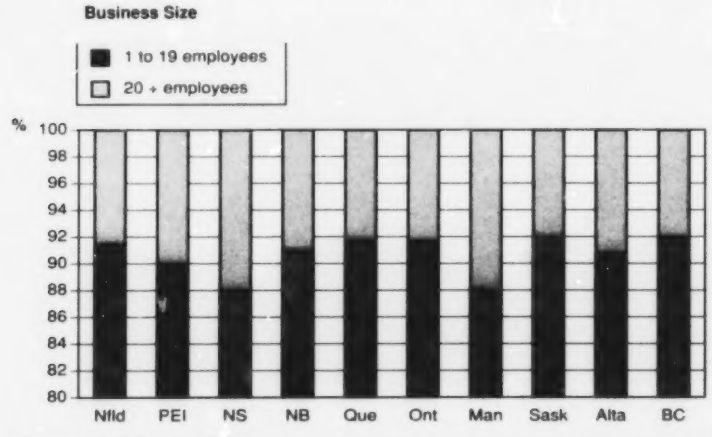
Small Business in British Columbia as Compared with Canada and Other Provinces

About 20 per cent of all Canadians employed in the private sector work for a small business. Geographic distribution of these small businesses closely mirrors overall geographic distribution of the population in Canada. British Columbia, the third largest province, with 11.4 per cent of the Canadian population (1987 figures), accounted for 13.6 per cent of the small businesses in Canada.

While British Columbia ranks third in Canada in both population size and number of small businesses, the small business sector plays a larger role in this provincial economy than it does in other provinces. Compared with the nine other provinces, British Columbia has the largest proportion of small businesses.

New business ventures across Canada fueled the boom in job creation over the past several years. Nationally, business start ups increased by more than 35 per cent between 1978 and 1987. During this period, the performance of the small business sector as a creator of new jobs has been consistently strong. Even with variations in

Small Business Share of Total Employment for Each Province 1987



the small business sector's share of net employment creation, these businesses remain the most important creator of new jobs.

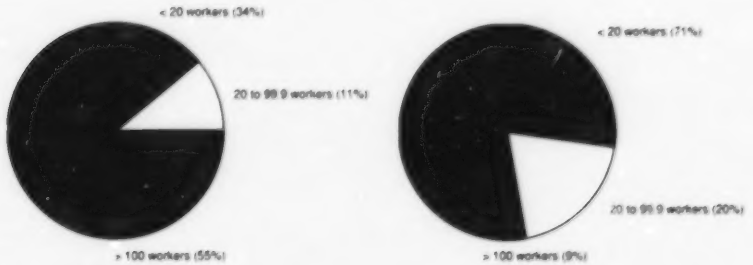
While overall employment increased at about the same rate in B.C. as it did across Canada in the years 1979 to 1987, it is interesting to note which sectors were major forces in job creation. In that nine-year period, small businesses in B.C. created 85 per cent of the net new employment in the province. Across Canada, small businesses created 75 per cent of the net new employment during the same period.

Economic Characteristics of Small Business in British Columbia

Job Creation

By 1987, employment in British Columbia had increased 22 per cent over 1979 levels. During that eight-year period, very small business (companies with fewer than five employees) led all other sectors in job creation, increasing by an impressive 186 per cent. At the same time, the province's largest employers (500-plus employees) experienced job losses of 2.9 per cent.

British Columbia Share of Job Creation by Firm Size 1979 and 1987



The share of small business as a creator of new jobs increased dramatically from 33 per cent in 1979 to 71 per cent in 1987. During that same period, the share of job creation by businesses employing more than 100 people declined substantially from 55 per cent in 1979 to only nine per cent in 1987.

Small businesses in wholesale trade, transportation and communications, and the primary industries experienced the greatest net employment change in the period from 1979 to 1987. In each of these categories, the small business share of the net employment change increased by more than 200 per cent of the specific industry total.

There are a number of key factors which contribute to job creation. One is a change in company size due to expan-

sion or contraction. Another is the increase or decrease in the number of firms operating at any given time. The total number of businesses in operation is partially determined by the number of new businesses that are "born", and stay in existence at least one year. It is also influenced by business "deaths". This refers to businesses that have been in existence for at least a year and then cease to operate for whatever reason. Whether due to actual business failure, mergers, or retirement, all companies that stop being "in business" are considered to be in this category.

Together, births, deaths, expansions, and contractions result in the net change in employment in a given time period. From 1979 to 1987, the small business sector generated 80 per cent of the total net change in employment in B.C. This breaks down as follows:

- 157,000 jobs were created due to company births.
- 120,500 jobs were lost due to company deaths.
- 381,200 new jobs were created due to expansion.
- 256,300 jobs were lost due to business contraction.

From 1979 to 1987, a total of 36,500 net new jobs were created by small business start ups compared with jobs lost because of company deaths. During the same period, 124,900 net new jobs were created by small business expansions compared with jobs lost due to business contractions.

Looking at the four factors that determine net new employment, it is evident that the net change in employment due to small business expansions compared with contractions was far greater than the net employment change due to company births compared with deaths.

The figures for net employment change show that expansions/contractions accounted for more than three times as many new jobs as births/deaths. Therefore, while annual gains in employment created by small business start ups outnumbered annual job losses resulting from small business deaths, it is clear that business expansions are far more significant in creating new employment than the total jobs created by small business births.

Changes in employment across industries and by company size in British Columbia reflect the worldwide shift

Small Business Employment; Industry Comparisons

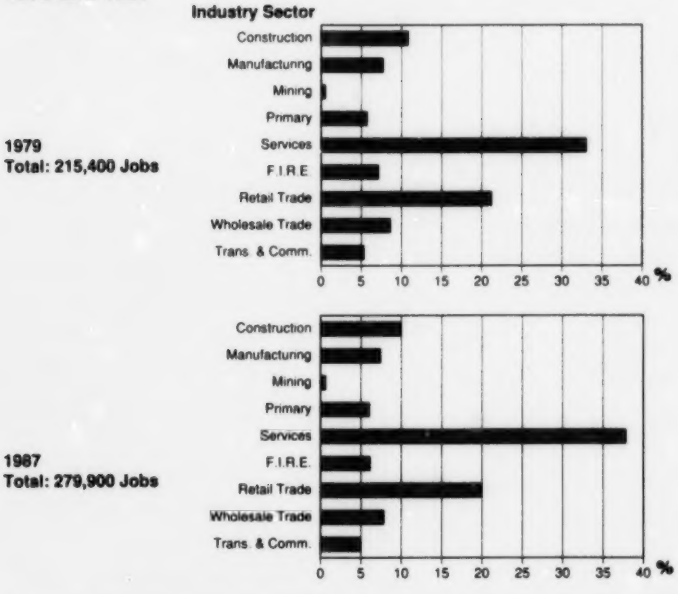
to economies dominated by the service industries. As B.C. shifts away from its traditional resource-based economy, other activities, such as community, business and personal services, become increasingly important.

By June, 1989, the service industries provided 37 per cent of all jobs in the province. This compares with 33 per cent in 1979. Companies in finance, along with business and personal services, continue to make up the fastest growing segments of the provincial economy.

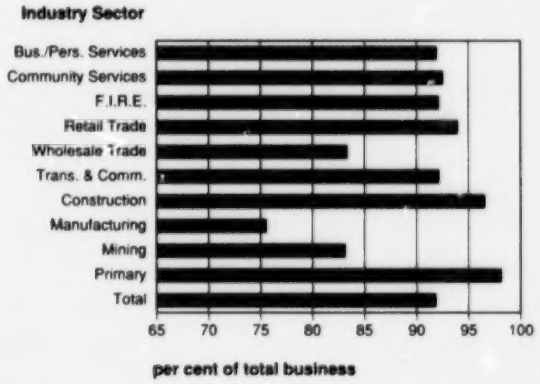
Small businesses comprise a significant percentage of the total number of companies in the province operating in many different industries. The chart entitled "British Columbia Small Business Share of Total Firms by Industry, 1987" demonstrates the prominence of small businesses in the service industries in particular.

In 1987, small businesses accounted for 91.9 per cent of the companies providing business and personal services. In that same year, the small business share was 92.5 per cent in community services, and 93.9 per cent in retail trade. Small businesses were also strong in the category known as "F.I.R.E.," an acronym for finance, insurance and real estate. Its share was 92.7 per cent.

British Columbia Small Business, Employment by Industry Sector 1979 and 1987



British Columbia Small Business, Share of Total Firms by Industry 1987



Industry Comparisons By Region

Given the population distribution in B.C., it is not surprising that more than half of the small businesses in the province are located in the Lower Mainland. Sixty-six per cent of B.C. small businesses involved in exporting are located in that region. The geographic location of the Lower Mainland favours exporters with well-developed transportation links to United States and Far East markets. Service companies favour that area since it provides easy access to their clients.

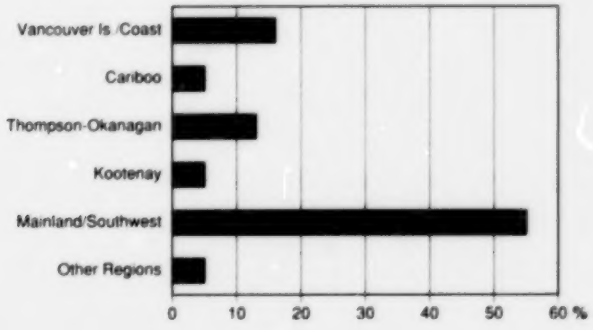
Many small British Columbia firms are involved in advanced technology activities. The highest concentration of smaller technology businesses (73 per cent) is in the Lower Mainland. These companies provide 72 per cent of the employment in technology and account for 76 per cent of the exports in technology.

Outside the Mainland/Southwest and Vancouver Island/ Coast Development Regions, technology companies have an unusually high share of sales. Although this geographical segment comprises only 17 per cent of the total number of small technology companies in the province, they generated 27 per cent of total technology sales in 1987.

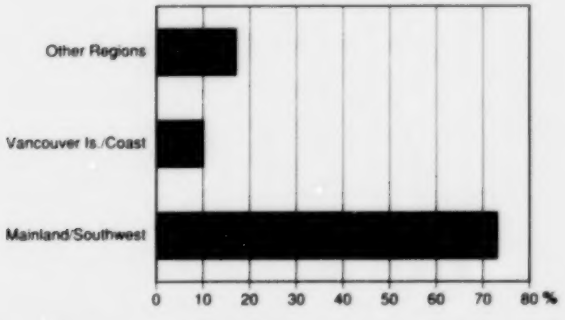
Turning to overall regional distribution of small businesses across all industries, it is apparent that available natural resources, as well as population size, influence which industries generate and sustain small businesses in

any given region. The densely populated and highly developed Mainland/Southwest Region has a very high concentration of business services, and, as would be expected, there are fewer forestry/logging businesses. Although the Vancouver Island/Coast Region is slightly under-represented in wholesale trade and business services, this is offset by a higher proportion of small businesses in both retail trade and forestry/logging.

British Columbia Small Business by Region
1987



British Columbia Technology Companies by Region
1989



Distribution of small businesses across industries is different in rural areas of the province than in urban locations. A good example of this is the Cariboo Region. Its economy reflects British Columbia's traditional economic structure. Small business in the Cariboo Region is very active in forestry/logging and transportation, whereas manufacturing, business services and wholesale trade are relatively underdeveloped.

The situation in the North Coast and Nechako Regions is

similar to the Cariboo. Small business representation in forestry/logging and transportation is very strong, while commercial property development, business services and wholesale trade are less prominent. Manufacturing, business services, construction and commercial trade are underdeveloped.

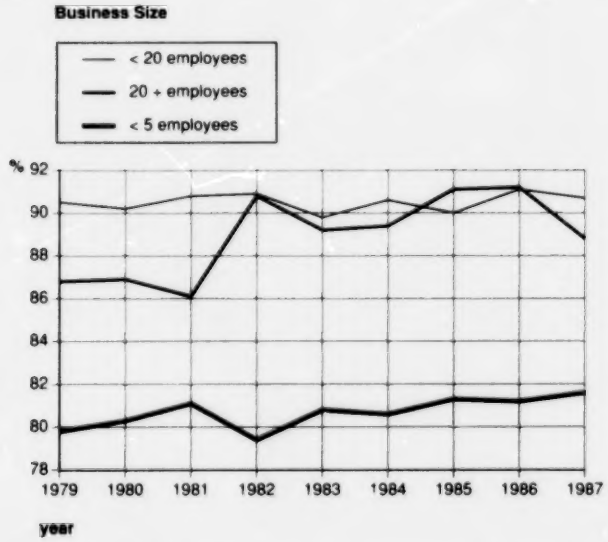
The Thompson-Okanagan Region, a popular tourist destination and retirement spot, has a higher percentage of small businesses in retail and accommodation/food. But there are far fewer companies in wholesale trade and business services. The Kootenay Region has a large number of small businesses in retail, forestry/logging, accommodation/food, but is still under-represented in business services.

Operating and Financial Characteristics of Small Businesses in British Columbia

Survival Rates of Small Businesses in British Columbia

On average, 82.9 per cent of all firms in all size categories identified in a given year in B.C. were still in business the following year. The very small business sector recorded the lowest average per year survival rate (80.4 per cent). But small companies employing between five and 20 people had the best per year survival rate of all size categories, averaging 90 per cent. During the period from 1979 to 1987, companies with 20-plus employees had an average survival rate of 88.87 per cent.

Annual Survival Rates by Firm Size
1979-1987



Small Business Revenues by Industry

The small business revenue share in 1986 indicated strong performance in four industries: construction (17 per cent), services (17 per cent), wholesale trade (16 per cent) and retail trade (27 per cent). Translating the percentage share into actual revenue dollars, the construction industry generated about $4.3 billion dollars in sales; services generated about $4.5 billion; wholesale trade, about $4.1 billion; and retail trade had the highest amount with about $7.8 billion.

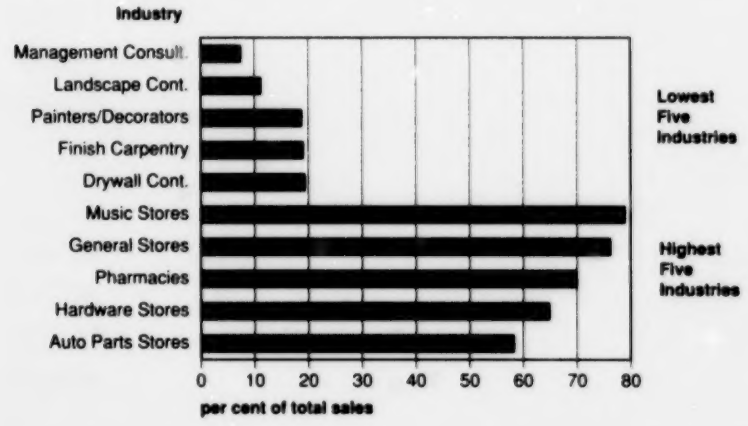
In 1986, 64 per cent of small businesses in the province generated revenues between $500,000 and $2 million. The remainder had revenues between $10,000 and $500,000.

Cost of Sales — Ten Industry Comparison

The "cost of sales" represents the combined cost of materials, inventory and marketing. Industries with the highest sales are among the most competitive. They include retail businesses which sell inexpensive products. Because there is such intense competition, these companies must spend more on marketing relative to sales. An example of this is music stores.

On the other end of the scale, industries with the lowest cost of sales are those that supply a relatively expensive product or service. They may also have a high proportion of fixed operating costs. One example of this kind of business is a company providing business management services.

British Columbia Small Business, Cost of Sales, Ten Industry Comparison 1986



Small Business Financing; Debt/Equity Ratios

Small businesses in British Columbia have the highest debt-to-equity ratios in Canada. These high levels of debt are particularly evident in the labour intensive accommodation and food sector, which consistently has the highest debt-to-equity ratios. In addition, sourcing of funds by small firms in B.C. continues to show heavy reliance on debt financing. On a more positive note, this situation changes as a business grows. Studies show the equity base for B.C. firms improves as firm size increases.

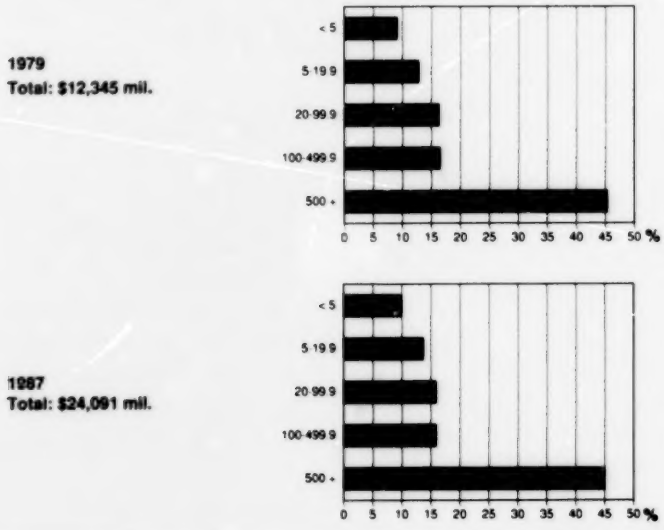
Payroll

Provincial payroll share according to the size of the firm was stable until the recession started late in 1981. Since then, the small business sector has increased its payroll share compared with large companies employing more than 500 people. By 1987, the small business share of the provincial payroll was 20.1 per cent, up from 18.8 per cent in 1979.

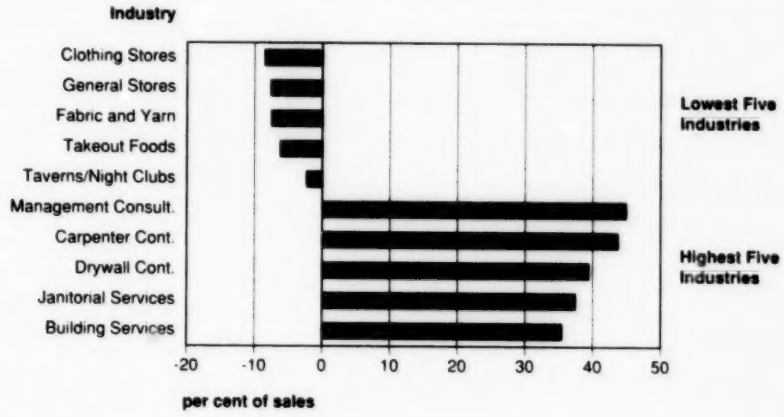
Profitability: Ratio of Profit to Total Sales

Small business profitability varies widely between industries. The management consulting services industry reports the highest profit rates. Companies in the construction trades and related areas are also more likely to have a high ratio of profit to total sales.

British Columbia Payroll by Firm Size Category, All Industries 1979 and 1987



British Columbia Small Business, Profit on Total Sales
Ten Industry Comparison
1986



Demographics of Small Business in British Columbia

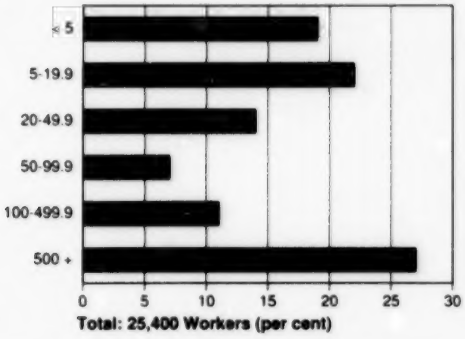
People Who Work in Small Businesses

By age — Since small businesses are the major creator of new jobs, as well as an important factor in overall employment, it is worthwhile examining who works for these companies. Small businesses are more likely than large companies to employ both younger and older workers. This holds true across all industry groups, but it is particularly evident in the service industries.

In British Columbia in 1987, large companies (more than 500 employees) comprised the single largest component of total employment. Small businesses came in second, with a share of 27 per cent. When the totals are examined by employee age groups, small business provided 41.1 per cent of youth employment (under 25 years of age) and 43.7 per cent of retirement-age employment (65 plus).

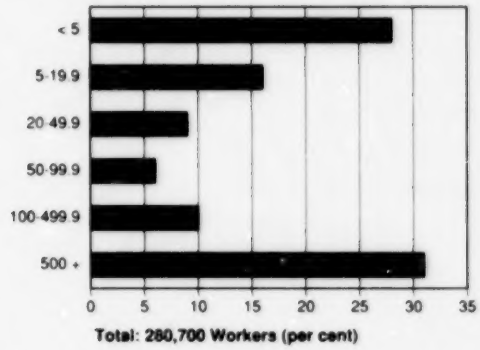
By gender — During the past 25 years, there has been a dramatic movement of women into the workforce in British Columbia. In 1980, women made up 38.9 per cent of the paid workforce in the province. By 1990, this figure had climbed to 44 per cent. In 1987, the share of jobs held by women ranged from 52.5 per cent in very small firms down to 44.4 per cent in very large companies.

British Columbia Employment by Firm Size and Age Group
Youth (<24 Years)
1987

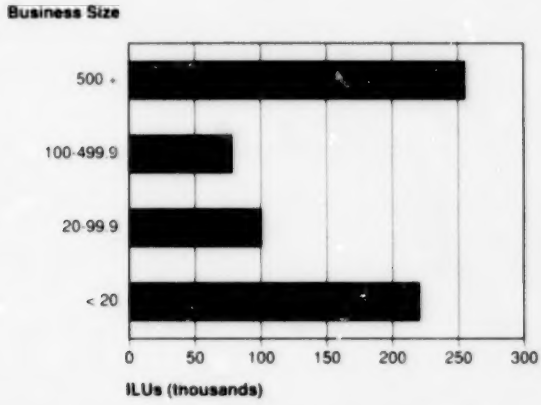


Total: 25,400 Workers (per cent)

British Columbia Employment by Firm Size and Age Group
Over 65
1987



British Columbia Female Employment by Business Size
1987



Small Business Entrepreneurs

Throughout the 1980s, the growth of self-employment outstripped that of the labour force, as more and more Canadians went into business for themselves. Small business owners in B.C. accounted for 10.4 per cent of the total employed labour force in 1986. Between 1981 and 1986, the total number of self-employed workers in the province increased by 13.2 per cent. Over half (57.3 per cent) of all small business owners operated companies in either the trade or service industries.

By age — Small business owners in B.C. tend to be older than the general workforce. They have a median age of 42.1 years (1985), compared to 33.7 years for the labour force as a whole. Most small business owners in British Columbia are in the 25 to 54-year-old age group. The 35

to 44-year-olds form the largest age category of small business owners.

The age distribution of the self-employed in the province changed dramatically between 1981 and 1986. While there were fewer young workers operating small businesses by 1986, the number of small business owners who were retirement age increased at a higher rate than any other group.

By gender — British Columbia women now own almost 25 per cent of businesses with paid employees. More than half of all small businesses owned by women are in the service sector.

The number of women owning small businesses in B.C. increased almost three times as fast as the number of men who went into business for themselves between 1981 and 1986. Although only one-quarter of all small businesses were owned by women in 1986, women accounted for 46.3 per cent of the increase in self-employment during that five-year period.

More striking is the change in the number of businesses owned by women in the middle-aged category. The number of women entrepreneurs in the 35 to 44-year-old age group increased by over four thousand, or 45.6 per cent. This represented the largest increase in small business ownership by women of all the age categories considered.

By education — Small business owners in B.C. tend to be well educated; more than 60 per cent have some post-secondary education. The average level of education among small business owners in the province improved between 1981 and 1986. While the number of owners without a high school diploma remained the same, the number of those with post secondary education increased by 21.4 per cent.

Self-employed business owners in British Columbia are somewhat better educated than small business owners in Canada as a whole. In 1986, almost 70 per cent had finished high school. That compares with a national figure of 67.3 per cent.

As a group, women small business owners are better educated than men. Across industries, those operating in the service industries have the highest average level of education, while owners of small logging firms have the lowest.

The Future of Small Business in British Columbia

Small business will play a key role in the British Columbia economy. It is the key to employment growth not only in this province, but across North America.

Small business is the primary generator of jobs in B.C., responsible for more than 95 per cent of new jobs in the province and accounting for 40 per cent of the private sector payroll.

According to economic forecasters, that trend will continue during the next decade and well into the next century. Factors behind the trend include the continuing growth of the service sector, increased market specialization, the rapid emergence of home-based business, the predominance of two income families and the aging of the population.

On the small manufacturers side, a prominent trend has been the rapid growth of knowledge-based niche market firms. The increased availability of communications technology, such as computers and facsimile machines, has enabled small firms to successfully compete with bigger companies.

The growth of the small business sector has been a key component in increasing the level of economic diversification in all eight regions of British Columbia, as well as an emerging source of export-related employment.

Many experts believe that the 1980s trend for large organizations to streamline operations will also continue, thereby creating more opportunities for small business entrepreneurs.

Sources of Small Business Data and Other Information

Appendix 1 - Sources of Local Small Business Data

Whether you live in a large urban centre or a smaller rural community, you have local access to the extensive network of B.C. government business information, services and programs. Local access is provided by Business Information Centres (BICs) at your local Chamber of Commerce. If there is no BIC in your community, contact your Government Agent. These organizations have up-to-date data and information on business planning, financing and marketing.

Business Information Centres: Opening the Door to Business Information and Services

There are presently more than 75 Business Information Centres located in communities across British Columbia. BICs are operated by local Chambers of Commerce and represent an important part of the government's commitment to broadening the delivery of business advisory services in local communities.

Four sources of statistics available through the BICs are the *B.C. Small Business Financial Profiles, the B.C. Regional Index, Annual Import/Export Statistics, and Agriculture Statistics.*

1. The *B.C. Small Business Financial Profiles* series present tables for 105 industries dominated by small business in Canada. The profiles contain information concerning operations, financial ratios and employment changes. They are organized in a modular format, with each module covering one industry in one province/territory, or for Canada as a whole. For a listing of industries covered by these profiles, refer to pages 23 through 25.

   The B.C. Small Business Financial Profiles can be used to compare specific business characteristics, such as profits, expenses, and sources of income. They are organized according to the kind and location of the business and its scale of operation. Information found in the profiles is useful for business planning, market research, and inter-business

comparisons. Entrepreneurs can refer to them to determine if a particular industry's profit and loss pattern makes a prospective venture viable. Investors and venture capitalists will find the information useful in assessing credit and equity in an industry.

2. The *B.C. Regional Index* is source of detailed information on the Province's municipalities and development regions. The publication contains a wealth of economic, demographic and other information of value to all business people who wish to know more about British Columbia.

3. *Annual Import/Export Statistics* describe trade outside the province by B.C. firms. The data show exports and imports by commodity type and by industry, and can help the small business person assess export opportunities for a new or existing business venture.

4. *Agricultural Statistics* from the Census of Agriculture provide statistics on crops, livestock, farm land, labour, capital and other variables related to agriculture.

These data sources are available in both hard copy and electronic versions through your local BIC. The electronic version can be accessed on the B.C. Business Network (see Appendix 2).

Small Business Financial Profiles

Available Industries for 1987 SIC

Advertising Agencies	7741
Appliance, Television, Radio and Stereo Repair Shops	7741
Appliance, Television, Radio and Stereo Stores	6223
Appliance, Television, Radio and Stereo Stores	6221
Automobile (New) Dealers	6311
Automobile (Used) Dealers	6312
Automobile and Truck Rental and Leasing Services	9921
Barber Shops	9711
Beauty Shops	9712
Caterer	9214
Clothing Stores n.e.c	6141
Combination Barber and Beauty Shops	9713
Commercial Printing Industries	2810
Computer Services	7721
Concrete Pouring and Finishing	4224
Conventional Crude Oil and Natural Gas Industries	0711
Courier Service Industry	4842
Direct Sellers	6921
Dry Bulk Materials Trucking Industry	4564
Drywall Work	4272
Electrical Work	4621
Entertainment Production Companies and Artists	9631
Excavating and Grading	4214
Fabric and Yarn Stores	6151
Finish Carpentry	4274
Florist Shops	6521
Food (Groceries) Stores	6011
Food (Specialty) Stores	6012
Forest Products Trucking Industry	4565
Furniture, Refinishing and Repair Shop	6213
Garages (General Repairs)	6351
Gasoline Service Stations	6331
General Freight Trucking Industry	4561

General Stores 6412
Gift, Novelty and Souvenir Stores 6582
Hardware Stores 6582
Hardware, Tool and Cutlery Industries 3060
Hotels and Motor Hotels 9111
Household Furniture Industries 2610
Household Furniture Stores 6210
Industrial Machinery and Equipment Rental and Leasing 9911
Insurance and Real Estate Agencies 7611
Janitorial Services 9953
Jewellery Stores 6561
Land Developers 4491
Laundry and Cleaners 9720
Licensed Restaurants 9211
Logging Industry 0411
Machine Shop Industry 3081
Management Consulting Services 7771
Masonry Work 4231
Men's Clothing Stores 6121
Motels 9112
Musical Instrument and Record Stores 6550
Operators of Building and Dwellings 7510
Operators of Non-Residential Buildings 7512
Operators of Residential Building and Dwellings 7511
Ornamental and Architectural Metal Products Industries 3030
Ornamental and Miscellaneous Fabricated Metal Installation 4292
Other General Merchandise Stores 6413
Other Site Work 4219
Paint and Body Repair Shops 6352
Painting and Decorating Work 4275
Pharmacies 6031
Photographers 9931
Platemaking, Typesetting and Bindery Industry 2820
Plumbing 4241
Power Laundries and/or Dry Cleaners 9721
Prescription Drugs and Patent Medicine Stores 6030
Publishing Industries 2830

Residential Renovation 4013
Sawmill, Planing Mill and Shingle Mill Products Industries 2510
Second-Hand Merchandise Stores, n.e.c. 6591
Self-Serve Laundries and/or Dry Cleaners 9723
Service Industries Incidental to Crude Petroleum and Natural Gas 0910
Service Industries Incidental to Mining 0920
Services to Buildings and Dwellings 9950
Siding Work 4232
Single Family Housing 4011
Sporting Goods Stores 6541
Sports and Recreation Clubs and Services 9650
Stamped, Pressed and Coated Metal Products Industries 3040
Take-Out Food Services 9213
Taverns, Bars and Night Clubs 9221
Taxicab Industry 4581
Television, Radio and Stereo Stores 6222
Ticket and Travel Agencies 9961
Tire, Battery Parts and Accessories Stores 6342
Toy, Hobby Novelty and Souvenir Stores 6580
Truck Transport Industries 4560
Unlicensed Restaurants (Including Drive-Ins) 9212
Video Movies and Audio-Visual Equipment Rental 9912
Welding 9942
Wet Heating and Air Conditioning Work 4243
Wholesale Apparel 5310
Wholesale Farm Machinery, Equipment and Supplies 5711
Wholesale Food 5210
Wholesale General Merchandise 5980
Wholesale Industrial Machinery Equipment and Supplies 5731
Wholesale Lumber and Building Materials 5630
Wholesale Motor Vehicle Parts and Accessories 5520
Wholesale Petroleum Products 5111
Wholesale Plumbing, Heating, Air Conditioning Equipment and Supplies 5622
Wholesale Waste Materials 5910
Women's Clothing Industries 2440
Women's Clothing Stores 6131

Appendix 2 - Other Sources of Statistics

The British Columbia Business Network

The B.C. Business Network (BCBN) provides public access to a variety of government business and economic electronic databases. It is an excellent tool for researching statistical data on many aspects of business. Users with their own PC can connect to BCBN through iNet 2000 supplied by B.C. Tel. BICs/Chambers of Commerce, as well as Government Agent offices and Economic Development Commission offices provide public access to BCBN in your community.

Data Available on BCBN

Companies Information — Contains profiles of thousands of B.C. companies, including those listed in the B.C. Manufacturers' Directory, High-Tech Directory, Subsea Directory and *SupplyNet.*

Information Resources — Contains both *Business Information* and *Calendar of Events. Business Information* has information on thousands of products and services provided by private companies, government departments and agencies, non-profit associations and professional groups. *Small Business Financial Profiles* is available under the Business Information menu of Information Resources. *Calendar of Events* provides information on trade shows, seminars, conferences, exhibitions, trade missions and training courses scheduled in the Province and around the world during the next two years.

Facts and Figures — This database has four major categories: *B.C. Statistics, B.C. Regional Index, Annual Import / Export Statistics, Agriculture Statistics.*

Business Opportunities — This database also has four major categories: *National / International Business Opportunities, Tender Opportunities through the Western Purchasing Information Network (WPIN), Investment Opportunities (VentureNet)* and *Market Place Listing Service.*

VentureNet maintains a comprehensive listing of invest-

ment opportunities in all regions of British Columbia. By identifying and qualifying investment opportunities, *VentureNet* can help match investors with entrepreneurs seeking capital. Different types of investments are covered, including equity capital loans, joint venture partnerships and licensing arrangements.

For more information on BCBN, call or write:
B.C. Business Network, 750 Pacific Boulevard South, Vancouver, B.C. V6B 5E6
Telephone: 1-800-972-2255 within B.C. or (604) 660-3900
Facsimile: (604) 660-4166 Telex: 04 - 55459

Other Business Data

Requests for specific business statistics can be addressed to the Economic and Business Statistics Section of the Ministry of Finance and Corporate Relations. The principal data dissemination department is in Victoria. Requests can also be channeled through the Vancouver office at the B.C. Business Information Centre. Additional information on the databases described in this appendix can be obtained by contacting either office.

Planning and Statistics Division compiles and analyzes statistical data from a wide range of sources. These data banks are updated regularly to ensure the information is current. The following descriptions outline the kind of information contained in the principle data banks.

Sales Per Selling Area of Independent Retailers

Information found in this database relates to retail space utilization in a specific industry. The database generates reports that provide statistical information on retail space utilization for selected metropolitan areas, along with all five Canadian regions, and each province. Both existing and potential retailers are concerned with space utilization, as it is a key factor in projecting sales, determining staffing requirements and planning inventory.

Population Forecasts

Information in this database can be used in market research to pinpoint trends in target groups. An example is a sales campaign directed at a particular age or gender market. A business dependent upon increased population

for its expansion can benefit from population forecasts for both business planning and feasibility assessment.

Specific kinds of population forecasts can be requested. Examples include population counts by regional districts, population forecasts to the year 2001 for a particular region, and components of population change. Components of population change calculates the impact of international immigration and interprovincial migration on the demographics of a region. A summary of overall provincial population trends, the *British Columbia Population Forecast, 1990 - 2016*, is also available.

C4 - The Census Package

Specific census tables can be requested for a geographic area of the province. Census information can also be obtained in a graphic map format for five profiled areas in B.C. They are: Kamloops, Kelowna, Prince George, Victoria and Vancouver. Digitized maps of Census Divisions and Subdivisions, Local Health Areas, School Districts and Census Tracts can also be requested.

There are various ways this mapped census data can be used. It is useful for direct mail or other advertising campaigns that target a certain segment of the population in a geographic area. The requested mapped data show colour coded areas, indicating where there are concentrations of the target group.

Migration and Immigration

Two components of population change — migration and immigration — are tabulated and described every quarter. This information is useful in determining short-term inter-provincial population trends, as well as new settlement from abroad.

Postal Coded Summary Taxation Data

Compiled annually, this data summarizes demographic information from tax returns filed by residents in 690 postal code zones throughout British Columbia. Valuable marketing information concerning characteristics such as median income levels, employment, age and gender can be obtained through this database.

Community and Regional Profiles

Profiles that include overview sets for each Development Region, as well as specific sets for every Regional District, provide information about the demographic and economic structure and activity for every part of the province. The profile sets contain census data, population forecasts for each regional district, information on employment, businesses operating in a given area and construction starts.

Consumer Expenditures

The *Family Expenditure Survey* is a valuable tool for determining product demand at the neighborhood, municipal, provincial or national level. The survey describes how families and individuals spend their money on over 800 items. This information can be used to project a local market size for various products and/or services.

Tourism Information

This database provides tourism information from B.C.'s nine provincial tourism regions, along with data from several provincial ministries and the federal government. Specific types of data can be generated. For example, a report on monthly room rental expenditures listing revenues by hotels/motels in a region is available. Other kinds of data include person trips in thousands per region and hotel/motel occupancy rates.

The British Columbia Manufacturers Directory

The 1990 edition lists over 7,000 manufacturers in B.C. The Directory is organized to allow cross referencing of companies using several different listing methods. Companies are listed according to the product they manufacture, the company name, address and telephone number, the industrial classification and the regional location.

The *Census of Manufacturers* provides data that can be applied in marketing or determining possible business opportunities. It has information on quantities and dollar values of goods produced and/or consumed by the manufacturing sector.

International Trade and Import Replacement Opportunities

An annual publication, British Columbia External Trade Report, describes trade outside the province by B.C. firms. Detailed information not found in the report is available by request. Data can be generated on the following subjects:

- on a commodity by country basis;
- by mode of transport - air, road, rail;
- by summary export groups or summary import groups;
- by the historical dimension;
- by U.S. state.

Full commodity import data, detailing quantity and value for all provinces and Canada as a whole, is available on microfiche. *Market Intelligence Reports* describe import trends, domestic production, tariffs, foreign exporters and Canadian importers on an industry or product basis. These reports can be used to assist manufacturers in finding opportunities to replace items that are presently imported with goods made in B.C.

Agriculture Statistics

The *Census of Agriculture* provides statistics on crops, livestock, farm land, labour, capital and other variables related to agriculture. Custom printouts for a specific geographic information are available on request.

For further information, contact:
Planning and Statistics Division
Ministry of Finance and Corporate Relations
2nd floor, 1405 Douglas St.
Victoria, B.C. V8W 3C1
Telephone:(604) 387-0325
Facsimile:(604) 387-0329

In Vancouver:
Planning and Statistics Division
B.C. Enterprise Centre
760 Pacific Boulevard South
Vancouver, B.C. V6B 5E7
Telephone:(604) 660-4167 or 660-4169, or toll free in B.C. at 1-800-972-2255
Facsimile:(604) 660-4166

Other Information Sources

Publications

BICs offer a wide range of government publications and many have a Business Resource Centre which contains a collection of resource materials published by private sector organizations. Some of these publications are available free of charge. Other titles, including complete packages on setting up and running a small business, are sold through the centres. The *B.C. Regional Index*, *Annual Import/Export Statistics*, and the *B.C. Manufacturers Directory* are examples of some of the materials sold through BICs.

Publications, classified under seven major categories, which may be available at your local BIC:

1. **General and comprehensive small business subjects** — "how to" booklets that explain the specifics of running different kinds of business.
2. **Home-based business** — how to run a business from the home.
3. **Finance, planning, and business/company records** — business administration, including general record keeping, and how to incorporate a business in B.C.
4. **Market research, marketing and distribution** — materials related to advertising, franchising and marketing both services and products.
5. **Exporting, importing and international business** — information on importing/exporting, including industry terminology and trade regulations under the Canada/U.S. Free Trade Agreement.
6. **Business structures, acquisitions and mergers** — retail purchasing and buying and selling a small business.
7. **Miscellaneous trends and free publications.**

Other Local Sources

Public libraries

Community colleges and universities

Ministry of Regional and Economic Development offices

The B.C. Info Centre

The B.C. Info Centre in Vancouver is the hub of a business information network that reaches into every part of the province. The centre has an extensive resource collection of over 17,000 items of business information. This reference library includes consumer contacts, business education materials, business management training videotapes and commercial intelligence files. The B.C. Info Centre also sells a variety of business-related publications. For more information talk to your local Business Information Centre, or contact the B.C. Info Centre directly at:

The B.C. Info Centre

760 Pacific Boulevard South
Vancouver, B.C. V6B 5E6
Telephone: (604) 660-3900 or toll free within B.C. 1-800-972-2255
Facsimile: (604) 660-4160 Telex: 04-55459